Exhibit 6E

Excerpts of July 15, 2014 G. Malhotra Deposition Transcript

1
2   UNITED STATES BANKRUPTCY COURT
3   FOR THE EASTERN DISTRICT OF MICHIGAN
4   - - -
5   In Re:) Chapter 9
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7   City of Detroit, Michigan,)
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9   Debtor.   ) Hon. Steven Rhodes
10   _____
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14   The videotaped deposition of GAURAV MALHOTRA
15   Taken at 51 Louisiana Avenue, N.E.
16   Washington, D.C.
17   Commencing at 9:09 a.m.
18   Tuesday, July 15, 2014
19   Before: Gail L. Inghram Verbano
20   Registered Diplomate Reporter,
21   Certified Realtime Reporter,
22   Certified Shorthand Reporter-CA (No. 8635)
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2   APPEARANCES:
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14   GEOFFREY S. STEWART, ESQ.,
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1   MALHOTRA

2   A. That is correct.

3   Q. And what period of time have you been

4 doing that?

5   A. One of them has been over a year. One

6 of them has been in the last, I would say, six

7 months.

8   Q. Before you started your forecasting work

9 for Detroit, you didn't have any experience doing

10 a forecast for a city; correct?

11   A. We did it for Detroit Public Schools,

12 which was another large government sector --

13 public sector entity. We did not do it for a

14 city.

15   Q. Okay. So before your work for the City

16 of Detroit, you had never done forecasting for a

17 city specifically; correct?

18   A. Most of the -- that is correct.

19   Q. You're not holding yourself out as an

20 expert on Chapter 9 bankruptcy, are you?

21   A. No, I'm not.

22   Q. This is the first Chapter 9 bankruptcy

23 you've worked on; correct?

24   A. Yes, it is.

25   Q. And you'd agree with me that Chapter 9

1   MALHOTRA

2 bankruptcy is extremely rare?

3   A. I don't want to comment on that.

4   Q. You're not going to answer that

5 question?

6   A. Rare in context of what? Is it in

7 context of Chapter 11 or is it in context to other

8 bankruptcies? So you have to give me a relative

9 point to answer that question.

10   Q. It's very rare for a city -- out of all

11 the cities in the United States, it's very rare

12 for a city to have entered into a Chapter 9;

13 right?

14   A. Well, there are different state laws

15 that impact the ability of cities to enter

16 Chapter 9 or not. But I would say Chapter 9s are

17 less common than Chapter 11s. I mean, I'm

18 comfortable saying that.

19   Q. Okay. And it would be a minute fraction

20 of cities that ever have entered Chapter 9;

21 correct?

22   A. I don't understand minute or not. But I

23 think the number of Chapter 9 filings is limited

24 relative to Chapter 11 filings. I'm comfortable

25 saying that.

1   MALHOTRA

2   Q. You're not holding yourself out as an

3 expert in risk management or insurance; correct?

4   A. Again, I'll ask the same question: Risk

5 management, insurance for what? Because all of

6 these points have specific implications on the

7 City of Detroit and the financial analysis and

8 forecasts for the City of Detroit.

9   Q. Okay. Well, I mean, you've never done

10 any work in the area of risk management, have you?

11   A. I've looked at a lot of the expenses

12 that the City of Detroit has been spending on risk

13 management insurance claims over the last three

14 years. So I understand where the City has been

15 spending that money.

16   Q. Okay. Before your work for the City,

17 you didn't -- you hadn't done any work on risk

18 management; is that correct?

19   A. No. When it comes to specific other

20 clients and you see where they are spending more

21 and if risk management is -- or self-paying,

22 self-insurance claims is a big component, you have

23 to analyze those costs. So I have looked at them

24 in specific instances where claims are a large

25 part of a spend.

1   MALHOTRA

2   But I -- so all I'm asking is, are you

3 asking the question in the context of Detroit or

4 just risk management?

5   Q. Risk management in general. You

6 wouldn't hold yourself out as an expert in that;

7 correct?

8   A. I would -- I could only talk about the

9 risk management and insurance claims for the City

10 of Detroit. That's what I would -- that's what I

11 would be comfortable talking about.

12   Q. Were you involved in putting -- were

13 there some forecasts with the creditor proposal

14 that accompanied that?

15   A. Which creditor proposal?

16   Q. The one in, I think -- guess it was

17 2013, before the bankruptcy.

18   A. Yes, there were forecasts, and we were a

19 part of pulling those together.

20   Q. And that was my question.

21   A. Thank you for the clarification.

22   Q. You were personally involved in that?

23   A. I was.

24   Q. Okay. In your opinions in this case,

25 you're relying on some other experts, such as

MALHOTRA

latest updates are probably the best information
we have as of date.

Whether that makes all of those
forecasts -- and I think you used the word
"inaccurate." That's -- it's just we have better
information today than we had earlier.

Q. Okay. Your more recent forecasts would
be more reliable than your first forecast; is that
fair?

A. I would say, yes, the most recent
forecasts are the best picture we would have as of
date, yes.

Q. Would it be fair to say that the longer
the forecast, the less reliable the forecast?

A. It depends on specific line items and
assumptions. But the further you get out there,
the -- there is more uncertainty whether each one
of those assumptions will play out the way they
are in the forecast.

Q. And would you agree that the greater the
number of assumptions in your model, the more
uncertainty and potential for unreliability there
is with the model?

A. No, because --

MALHOTRA

Q. Well, all the other things being held
constant, do you agree that the more assumptions
that you have in a model, the greater the
potential for uncertainty and unreliability?

A. No.

Q. Why is that?

A. Because different assumptions can also
offset each other.

Q. Did you rely on any scientific or
technical literature in creating your forecast?

A. I'm sorry? What is --

Q. Well, is there any scientific or
technical literature that lays out the methodology
you used in your forecast?

A. The financial forecast, the way it's
been developed is how it's generally developed by
all financial advisory firms.

Q. But that's not my question. Is there
any scientific or technical literature you can
identify for me today that lays out the
methodology that you used in creating the forecast
for Detroit?

A. I do not know of any scientific
methodology. Technical methodology is generally

MALHOTRA

well documented all over about financial advisers,
how to create projections, look at the historical
performance.

So, yeah, that's generally technical in
nature, but not scientific.

Q. But so the -- but is there any treatise
or other publication that you can identify for me
today that lays out the technical methodology you
used for the Detroit forecast?

A. I would say any financial journal that
you will pick up, from a financial adviser's
standpoint, has tons of articles written on how to
build good -- develop reasonable forecasts.

Q. But can you identify one article,
sitting here today, that contains the specific
methodology you used in the Detroit forecast?

A. I do not recall one off the top of my
head, no.

Q. Before the Detroit matter, what was the
longest period of time you ever did a forecast of
revenues or expenditures for?

A. I would say somewhere maybe between five
and ten years.

Q. And you've never done -- I think you

MALHOTRA

testified you'd never done a forecast for a
municipality before Detroit; correct?

A. No, I did not testified to that. I
testified that I've done it for Detroit Public
Schools. I've developed a forecast for Detroit
Public Schools.

Q. But for an actual city, municipality,
you've never done a forecast before Detroit's;
correct?

A. For a city, that is correct.

Q. You did some forecasting for the Detroit
Public Schools?

A. That's right.

Q. What was the length of time that you
forecast for the Detroit Public Schools?

A. I would have to go back and look. It
could have been up to five years. It was probably
somewhere in that neighborhood or shorter. I
would have to go back and check.

Q. Are your forecasts that you've created
in this case based on the business judgment of any
City officials?

A. I would say yes.

Q. And yet you -- which City officials